



## Roy Cooper North Carolina Attorney General

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For immediate release  
Date: January 12, 2009

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### **Dell customers to get better service, chance at refunds, says AG Cooper**

#### *Agreement addresses problems with financing, rebates, and repairs*

**Raleigh:** Consumers who had problems with Dell financing promotions, rebate offers, technical support and repair policies now have a chance to get money back, Attorney General Roy Cooper said Monday.

The refund opportunity is part of an agreement between Dell and attorneys general of 34 states designed to improve Dell's sale practices and customer service. Under the agreement, Texas-based Dell, Inc., and its subsidiary, Dell Financial Services, LLC, agreed to pay \$1.5 million in refunds to eligible consumers who file claims postmarked by April 13, 2009. Dell will pay an additional \$1.85 million to the states to cover the costs of their investigation, including \$75,000 to North Carolina.

"Buying a computer shouldn't be tricky," Cooper said. "Consumers deserve straight information when they're making a purchase, and good customer service when they need it repaired."

State attorneys general investigated Dell based on complaints from customers. Some consumers had trouble obtaining warranty service on their Dell computers. Many said they never received promised rebates. Others complained that they had applied for zero-percent financing but were charged higher interest rates.

For example, one consumer said she made a purchase with zero-percent financing for 18 months and made her payments on time. But the last payment was applied late. The customer was then billed \$668 interest for the entire financing period.

Consumers may be eligible for a refund under the agreement if they purchased a Dell product between April 1, 2005, and April 13, 2009, have a valid complaint about it that is addressed by the agreement, and believe they are owed money by Dell. The amount of money individual consumers get will depend on the number of eligible recipients and the total amount claimed.

North Carolina residents who believe they are eligible for refunds can download a claim form at [www.ncdoj.gov](http://www.ncdoj.gov) or call Cooper's Consumer Protection Division toll-free within the state at 1-877-5-NO-SCAM.

"Thanks to this agreement, consumers will now get a chance at refunds, clearer information about financing and rebates, and better customer service," Cooper said.

Under the settlement, Dell will make a number of changes to its financing and credit officers, warranty repair services, and rebate procedure. Dell has agreed to:

- Make it clear in advertisements for promotional credit offers that the majority of consumers who apply won't qualify for the best annual percentage rate (APR), and disclose the range of initial APRs that consumers who are not considered the most qualified borrowers are likely to receive.
- Inform consumers who are considering applying for financing that minimum monthly payments are required and that approval does not guarantee that the consumer will also qualify for promotions such as zero-percent interest for 90 days.
- Explain how finance charges are calculated, disclose any penalties and tell consumers whether additional purchases made using the credit account will be subject to the same or different financing terms.
- At the time of credit acceptance, disclose whether the applicant has qualified for any conditional financing promotion.
- Fulfill warranty obligations within 30 days from the date of notification or receipt of a defective product.
- Disclose whether phone-based troubleshooting or remote diagnosis is required before Dell will provide on-site repair or warranty-related service.
- If a rebate is available, provide the necessary rebate documentation when the product is delivered or the service is provided
- Mail rebates within the specified time period, or within 30 days if no date is specified.

Dell has also agreed to change company policies to comply with the settlement and address additional problem, including:

- Notifying customers of their right to cancel orders made with a Dell Credit Account within three days after receiving final credit approval and the written terms and conditions.
- Improving communication between Dell and Dell Financial Services when a consumer returns a product purchased with credit.
- Removing consumer accounts from collection agencies and providing accurate information to credit-reporting bureaus.
- Substantiating any claims Dell makes about the quality of its customer service. Dell can use the term "award-winning" to describe its customer service only if the company received such an award within the past 18 months.

Along with North Carolina, the following states participated in the settlement: Arizona, Arkansas, California, Connecticut, Delaware, Florida, Illinois, Iowa, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Washington, West Virginia, Vermont, and Wisconsin.

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